



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Set Public Hearing for December 19, 2012, to Consider Adopting Resolution Setting Pre-Approved Engineering News Record Adjustment Index for Usage-Based and Flat Water Rates

MEETING DATE: November 21, 2012

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Set public hearing for December 19, 2012, to consider adopting resolution setting pre-approved Engineering News Record adjustment index for usage-based and flat water rates.

BACKGROUND INFORMATION: The City Council has made numerous water rate decisions over the past few years, as summarized below. The recommended action at the December 19, 2012, City Council meeting will be to implement a rate increase of 2.5 percent effective January 1, 2013, as presented in Exhibit A.

On May 20, 2009, Council waived the Consumer Price Index (CPI) adjustment of water rates based upon a lack of new information supporting neither an increase nor a decrease. On January 6, 2010, Council received advisory usage-based water rates for the purpose of research and customer billing comparisons. On July 21, 2010, Council approved a change to the date for implementing the annual rate adjustment to January 1 for each of the five years (maximum timeframe allowed by Proposition 218) following January 1, 2011. This change was recommended so that rate changes occur at the lowest usage time of the year. Council also changed the water rate adjustment index from the CPI to the Engineering News Record (ENR), effective January 1, 2012, because this index better reflects the combined inflationary effects of personnel, materials and energy costs on the total operations of the utility, as was done for the Wastewater Rates on July 15, 2010.

Council approved a professional services agreement with The Reed Group on August 6, 2008, for the preparation of a water utility financial model. Staff continues to update and use this model to forecast the performance of the utility through FY 2019/20 while incorporating substantial capital investments, including the surface water treatment facilities, water meter program, infrastructure replacement program, property owner meter payments and PCE/TCE remediation costs. The recommended rates presented in Exhibit A were developed using this tool.

The ENR-based adjustment for the period October 2011 through October 2012 is 2.5 percent. It is staffs recommendation that the water rate increase be 2.5 percent. For a resident still on the flat rate, the monthly charge for a three-bedroom home will increase from \$41.99 to \$43.04. A metered resident using 1,500 cubic feet of water per month will see an increase from \$38.95 to \$39.88.

FISCAL IMPACT: Increased revenues to the water utility are required to keep up with cost of service increases and new mandated costs.

FUNDING AVAILABLE: Not applicable.


F. Wally Sandelin
Public Works Director

Prepared by Rebecca Areida-Yadav, Management Analyst
Attachment
cc: Steve Mann, Information Systems Manager
Larry Parlin, Deputy Public Works Director – Utilities

APPROVED: _____



Konrad Bartlam, City Manager

Exhibit A
City of Lodi -- Water Utility
Current and Proposed Water Rates

		Current	Jan. 2013	
Flat Rates (\$/month)				
Percent Increase			2.5%	
Single Family Residential Unit (\$/month)				
1 Bedroom	\$	29.17	\$	29.90
2 Bedroom	\$	35.03	\$	35.91
3 Bedroom	\$	41.99	\$	43.04
4 Bedroom	\$	50.46	\$	51.72
5 Bedroom	\$	60.52	\$	62.03
6 Bedroom	\$	72.62	\$	74.44
7 Bedroom	\$	87.13	\$	89.31
Multi-Family Residential Unit (\$/month)				
1 Bedroom	\$	25.04	\$	25.67
2 Bedroom	\$	30.04	\$	30.79
3 Bedroom	\$	36.04	\$	36.94

Metered Water Rates				
Service Charge (\$/month)				
<i>Single Family Residential</i>				
Up to 3/4" Meter	\$	23.20	\$	23.78
1" Meter	\$	37.66	\$	38.60
1 1/2" Meter	\$	73.58	\$	75.42
2" Meter	\$	116.87	\$	119.79
<i>Multi-Family and Non-Residential</i>				
5/8" Meter	\$	23.20	\$	23.78
3/4" Meter	\$	23.20	\$	23.78
1" Meter	\$	37.66	\$	38.60
1 1/2" Meter	\$	58.77	\$	60.24
2" Meter	\$	73.43	\$	75.27
3" Meter	\$	102.81	\$	105.38
4" Meter	\$	132.20	\$	135.51
6" Meter	\$	190.91	\$	195.68
8" Meter	\$	249.67	\$	255.91
10" Meter	\$	308.39	\$	316.10
Water Usage Rates (\$/CCF)				
<i>Single Family Residential</i>				
Tier 1 - 0 to 10 CCF/month	\$	0.90	\$	0.92
Tier 2 - 11 to 50 CCF/month	\$	1.35	\$	1.38
Tier 3 - Over 50 CCF/month	\$	1.78	\$	1.82
<i>Multi-Family and Non-Residential</i>				
All Water Usage	\$	0.90	\$	0.92



***Please immediately confirm receipt
of this fax by calling 333-6702***

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

**SUBJECT: PUBLIC HEARING TO CONSIDER RESOLUTION SETTING
PRE-APPROVED ENGINEERING NEWS RECORD ADJUSTMENT
INDEX FOR USAGE-BASED AND FLAT WATER RATES**

PUBLISH DATE: WEDNESDAY, NOVEMBER 28, 2012

LEGAL AD


TEAR SHEETS WANTED: One(1) please

**SEND AFFIDAVIT AND BILL TO:
LNS ACCT. #0510052**

RANDI JOHL, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: MONDAY, NOVEMBER 26, 2012

**ORDERED BY RANDI JOHL
CITY CLERK**


JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK

MARIA BECERRA
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

Faxed to the Sentinel at 369-1084 at _____ (time) on _____ (date) _____ (pages)	
LNS _____	Phoned to confirm receipt of all pages at _____ (time) _____ CF _____ MB _____ JMR (initials)



DECLARATION OF POSTING

PUBLIC HEARING TO CONSIDER RESOLUTION SETTING PRE-APPROVED ENGINEERING NEWS RECORD ADJUSTMENT INDEX FOR USAGE-BASED AND FLAT WATER RATES

On Monday, November 26, 2012, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing to consider resolution setting pre-approved Engineering News Record adjustment index for usage-based and flat water rates (attached and marked as Exhibit **A**) was posted at the following locations:


Lodi Public Library
Lodi City Clerks Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 26, 2012, at Lodi, California.

ORDERED BY:

**RANDI JOHL
CITY CLERK**


JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK

MARIA BECERRA
ADMINISTRATIVE CLERK



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: December 19, 2012

Time: 7:00 p.m.

For information regarding this notice please contact:

Randi Johl

City Clerk

Telephone: (209) 333-6702

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, December 19, 2012**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) **Resolution setting pre-approved Engineering News Record adjustment index for usage-based and flat water rates (as identified on the attached Exhibit A).**

Information regarding this item may be obtained in the Public Works Department, 221 West Pine Street, Lodi, (209) 333-6706. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 W. Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk at, or prior to, the public hearing.

By Order of the Lodi City Council:

Randi Johl
City Clerk

Dated: November 21, 2012

Approved as to form:

D. Stephen Schwabauer
City Attorney

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